

Supplemental Information:

Fiscal Year 2004 is the first year that the new Federal Procurement Data System - Next Generation (FPDS-NG) application is the authoritative source of contracting awards and obligations for the Federal Government. Prior to FY 2004, prime accomplishments were reported from the legacy FPDS application, which was decommissioned for the purposes of reporting Individual Contract Action Report (ICAR), also referred to as a SF 279 and SF 281, on September 30, 2003.

In the preparation of the FY 2004 SBA Small Business Goaling Report (SBGR) several potential data challenges were discovered through review of Agency reported data in FPDS-NG. SBA, OMB and GSA worked with the 24 Chief Financial Officers (CFO) Act agencies regarding potential data challenges each Agency may be experiencing. These twenty-four (24) agencies listed in the FY 2004 SBGR make up approximately 99 percent of the contract actions and contracting dollars. Each Agency had certified that for FY 2004 100 percent of their data has been entered into FPDS-NG. In addition, each Agency reviewed their individual SBGR, and validated that the data presented is accurate and reflects the Agency's achievements. The remaining 38 agencies, whose combined actions and dollars make up less than one percent of the government-wide activity, are still included in the government-wide numbers but have not all certified their data nor validated their SBGR. SBA, OMB, and GSA will continue to work with those 38 agencies regarding their data, and work through any data challenges these Agencies might have experienced.

Based on these discussions, several data challenges were identified which potentially could affect every agencies' data. These data challenges held to specific patterns and originated from one of three existing conditions. The three conditions are as follows:

1. The initial data migration from the legacy FPDS system to FPDS-NG;
2. Current data collection policies and data retrieval requirement; and
3. Data presented from authoritative sources.

As a result of one or a combination of the above conditions, four data challenges materialized that impacted the accuracy of the FY 2004 data presented.

1. Indefinite Delivery Vehicle and Contract with Task Order Capability
2. "Place of Performance"
3. Central Contractor Registration (CCR) Vendor Extract
4. Service Disabled Veteran Owned Small Business (SDVOSB)

Teams overseeing the FPDS-NG project recognize the magnitude of the problems, and are continuing to work with each of the Agencies to address their data challenges.

Specifics:

1. Indefinite Delivery Vehicle and Contract with Task Order Capability: The **current data policy and data retrieval requirements** for the legacy FPDS application were developed over many years by the procurement community and Congress and codified in the FPDS User Handbook. These policies required the agencies to report accomplishment in one of two ways for actions (+/-) \$500 obligations; meaning the policies and data rules were specific, and did not require Contracting Officers to file ICARs for contract actions that had zero dollar obligations.

Data Challenge Description:	Result:	Business Impact:	Corrective Action:
1. With the release of FPDS-NG, the data collection policies and data retrieval requirements were updated to reflect the Procurement Executives Council (PEC) requirements to add utility to the contract actions by linking parent transaction to siblings. In the case of the Indefinite Delivery Vehicle (IDV) this translated into the requirement to collect the base record in order to record the contract accomplishment history by aligning all the orders to the base.	As a result of the data collection policies and data retrieval requirements, the approved data migration strategy for data maintained in the legacy FPDS prior to FY2004 required the developer to create zero dollar base transaction in FPDS-NG prior as part of migration. In addition, the developer needed to associate the freshly migrated orders in FPDS-NG to this newly created zero dollar base transaction. This effort required the Agencies to manually review this data to ensure data quality after migration, and that the process had not created unintended consequences such as situations of duplicate zero dollar base records or orphaned delivery/task orders that could not be associated with a parent.	The impact from this data challenge is minimal. This situation only affects the number of actions, not the dollar value of the report. Obligations of delivery/task orders were the only data element used in the legacy report, and the current data collection policy and reporting requirement have been adopted this same method for the FPDS-NG report. However, if the data issue is not fully addressed by an affected Agency, future orders against pre FY2004 IDVs and modification of existing IDVs or orders could be a challenge, and could delay reporting until the base requirement is addressed.	Several actions have taken place. <ul style="list-style-type: none"> • The DoD in response to this issue and others re-migrated their complete data from 1997 forward to 2004. • GSA Federal Supply re-migrated their transactions because of this issue others regarding the Schedules. • NASA in turned re-migrated their data as in response to this issue and others. • Other Agencies have been manually working through these issues. In addition, as agencies identify this issue exists, it is being addressed to help facilitate the collection the award obligation accomplishment. • Long-term, this will be less of an issue as the affected pre 2004 base actions are retired.
2. FAR Part 16 allows for indefinite delivery type contracts. When an Indefinite Delivery, Indefinite Quantity (IDIQ) contract (this also is true for contracts with task order capability) is awarded the vendor's consideration is a guarantee that the business will be ready to accept work in return for the Government providing a minimum dollar guarantee. As such, many agencies in the past report no funding on the award document, but executed the first order simultaneously for the work in at least the amount of the minimum. This order was recorded and counted as part of the Agency accomplishment.	As a result of this perceived wide spread business practice, the PEC and the working teams agreed on the business process that would capture this common business approach in FPDS-NG. The data collection policy and data retrieval requirements were developed with the assumption that agencies were not recording minimum guarantees on award IDV contracts.	The impact from this data challenge is minimal. In a majority of cases with the IDV contracts Agencies followed the common business practice. However with those agencies with contract awards with task order capability for many of these actions were identified earlier in the reporting year.	Several actions have taken place. <ul style="list-style-type: none"> • With IDVs, agencies are following the common business process. • Contracts with task order capability are currently being awarded and recorded as IDVs. In addition, a mock order is being awarded to account for the base obligation. • The developer is working as a part of the Q1 FY2006 release to reflect in the reports and queries obligations against the base record. This should be available for the FY2005 report requirement.

2. “Place of Performance”: For many service type contracts, A/E type contracts and some construction contracts, the “Place of Performance” may not be readily available. The current data collection policy and data retrieval requirements outlined in the FAR indicates that the Contracting Officer shall identify where the preponderance of the work is being conducted and report that as the current “Place of Performance”. However, based on the common data collection policy and data retrieval requirements when the “Place of Performance” is not readily available the Contracting Officer has been identifying the corresponding data element as blank.

Data Challenge Description:	Result:	Business Impact:	Corrective Action:
<p>With the release of FPDS-NG, the data collection policies and data retrieval requirements has the “Place of Performance” as an optional field under the following business actions:</p> <ul style="list-style-type: none"> a. Actions under \$25,000 regardless of contract type b. Purchase orders c. Blanket purchase agreements d. Indefinite Delivery base contracts that have no funding 	<p>As a result of the data collection policies and data retrieval requirements, FPDS-NG in accordance with the documented baseline requirements, interprets a blank “Place of Performance” as a foreign award. Based on the Small Business Goaling Report (SBGR) specification, foreign contract award accomplishments are not included in the individual Agency or Government-wide report.</p>	<p>The impact from this data challenge is minimal. Agencies have expended considerable amounts of manpower correcting this condition.</p>	<p>Several actions have taken place.</p> <ul style="list-style-type: none"> • Agencies have already identified their individual data universe and have in many cases manually corrected • Agencies are educating their Contracting Professionals of this issue • Looking for an avenue to broker a policy discussion. It is anticipated the at least one or several subcommittees of the FAR Secretariat will be asked to explore this issue and partner at least with the FAR Technology Subcommittee. • Once the appropriate policy and business process is identified, a change request will be developed expressing the outcome of the policy discussion and entered into the Configuration Management process for debate and approval of the long-term solution.

3. Central Contractor Registration (CCR) Vendor Extract: With the introduction of FPDS-NG, one of the interface requirements is to receive data from CCR, which has been function since system launch. The data extracts from CCR, as the authoritative source of vendor information, provides FPDS-NG with current vendor business profile information (name and physical location), and business type information (Women Owned and SDB).

Data Challenge Description:	Result:	Business Impact:	Corrective Action:
<p>With the initial launch of FPDS-NG, the data collection policies and data retrieval requirements names the data extracts from CCR as the authoritative source of vendor information provides FPDS-NG with current vendor business profile information (name and physical location), and business type information (Women Owned and SDB).</p>	<p>As a result of the data collection policies and data retrieval requirements, the CCR extract that was developed for Government users and being leveraged by FPDS-NG had a hard restriction of a maximum of 10 Business Types available to pass to the receiving application.</p>	<p>The impact from this data challenge is minimal. It has been determined that less than 2% of CCR’s 370,000 vendors had more than 10 business types. Through analysis, it does appear that the affected area most sited as an issue was HubZone accomplishments followed by Service Disabled Veteran Owned. However, the affects are negligible and non-material to the report.</p>	<p>Several actions have taken place.</p> <ul style="list-style-type: none"> • As of May 2005, the CCR Extract has been re-engineered to pass all the available business types identified by a vendor. • FPPDS-NG has begun to receive the new extracts. • Analysis is being conducted to identify the data that was affected for FY 2005 • It is anticipated that this will be an issue for FY 2005, but will be no longer have an impact on FY 2006.

4. Service Disabled Veteran Owned Small Business (SDVOSB): The Veterans Benefits Act of 2003, established the new business type of Service Disabled Veteran Owned Small Business (SDVOSB). This new business type was implemented in FY 2004 through the use of SBA Interim Rule process, and further reinforced by Executive Order. The data collection policy and data retrieval requirements for SDVOSB were specific and required a Contracting Officer to report award accomplishments for SDVOSB beginning with contract actions in FY 2004.

Data Challenge Description:	Result:	Business Impact:	Corrective Action:
With the initial launch of FPDS-NG, the data collection policies and data retrieval requirements met the SBA Interim Rule requirements and the subsequent Executive Order. However, the GSA, Federal Supply Service noticed that agencies were not getting credit for SDVOSB buys against their FSS Schedules.	As a result, business profiles information and business type information from CCR were not refreshed against these long-term Schedule Contracts to account for the new SDVOSB. The business process requires a modification to change or refresh information against a contract or order against a contract.	The impact potentially is Government-wide. It was determined that approximately 600 base schedules were affected by this new business type in FY 2004 for a net result with order placement of a potential statistical impact of .08% of the SDVOB. Therefore, agencies wishing to purchase off of the Schedules were unable to take advantage of this new the business profile information, and take statistical credit on the Small Business Goaling Report.	The GSA Federal Supply Schedules provided files to FPDS-NG listing the universe of affected Schedule contracts to the developer. The developer worked to update the base schedule information refreshing the vendor business types to include SDVOB, and the same treatment was repeated for orders placed against the affected Schedules. "Type of Business" is now updated allowing the 2004 SBGR to capture the most accurate and influential portion of government purchase activity.

Agency Specific Issues Affecting the SBGR:

Department of Defense

TRICARE Health Care Management contracts and military entitlement payments.

Medical care entitlement actions, such as reimbursement vehicles for TRICARE medical care for military members, retirees and dependents, will not be included in the Small Business Program Goaling Report for future years. However, procurement actions, that are not medical care entitlement actions, implemented in support of TRICARE using the Federal Acquisition Regulation shall be included in the goaling baseline.

Background Information: In the past, various health care entitlement activities such as the Veterans Administration's (VA) drug program and the Office of Personnel and Management (OPM) health insurance management have not been included into the SBGR. These activities are not subject to the Federal Acquisition Regulations (FAR) rules and are not considered procurement. The dollars flow down to the beneficiary and the beneficiary has the choice of who to use as a service provider. Therefore, these activities are not entered into the FPDS. The information about the management contracts are captured in the agencies own management information tools.

In the process of transferring the archived DOD data from years, 1997 through 2003 into FPDS, this TRICARE activity was transferred as well.

TRICARE management contracts were included in the old FPDS since 2000 and are included for FY 2004.

Department of Defense Tri-Care Contracts or Tri-Care Activities in FPDS		
Fiscal Year	# of Actions by Tri-Care office	Dollars in Millions
2004	747	\$5,122
2003	601	\$4,092
2002	351	\$4,092
2001	318	\$2,023
2000	134	\$1,367

It remains to be seen if the contracts to manage the entitlement programs should be reported to FPDS. This is open for debate. In some cases, agencies may find suitable small businesses with whom to conduct a fair competition. In other areas of expertise, the agencies feel there is no such opportunity for small businesses to provide management oversight of the enormous health care programs.

CORRECTIVE ACTION: Medical care entitlement actions, such as reimbursement vehicles for TRICARE medical care for military members, retirees, and dependents will not be included in the Small Business Goaling Report for FY 2005 and future years.